

TOGETHER
WE ARE A
STRONGER CITY

ANNUAL **2018** REPORT



PHILADELPHIA OFFICE OF THE
INSPECTOR GENERAL

JAMES F. KENNEY, MAYOR | AMY L. KURLAND, INSPECTOR GENERAL

WORKING **TOGETHER**

Camaraderie, spirit and an unwavering focus on shared values and goals. These are the hallmarks of a strong community. And when we work together to implement those values and reach those goals, our city is better for it.

We at the Office of the Inspector General understand the importance of coming together with passion and purpose and are working diligently to protect Philadelphia from those who are only working for themselves. So, we will never lose sight of our values and continue to grow stronger as a city.



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MESSAGE FROM **THE MAYOR**



Those of us who call Philadelphia home know that it is a **city unlike any other**. We may come from different backgrounds, live in different neighborhoods and experience different challenges. But, there is one unique trait that all Philadelphians share – passion. This passion unites us and moves us forward together to the cutting edge of progress.

Our Administration is working closely with City Council to fund bold anti-poverty initiatives, including the expansion of quality pre-k, the creation of community schools, and an investment in parks, recreation centers, and libraries. Together, we are working to strengthen every neighborhood by focusing on:

- Improving educational opportunities and outcomes for all of Philadelphia's children;
 - Improving economic opportunities for all Philadelphians;
 - Operating government efficiently and effectively;
- Improving public safety for all Philadelphians while treating residents with respect and dignity; and
 - Developing a diverse workforce that looks like Philadelphia.

As we expand the quality and scope of our services across the city, we must also invest in corresponding oversight to ensure that our government operates openly, honestly, and efficiently. In 2018, the OIG continued its mission of holding wrongdoers accountable, improving internal controls, and saving valuable tax dollars for better and more efficient City services.

Philadelphia is greatly appreciative of the work that Inspector General Kurland and her team accomplished. With the help of every Philadelphian, the OIG will continue to serve our city and help maintain an honest, effective government.

Sincerely,

A handwritten signature in dark ink that reads "James F. Kenney". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Mayor James F. Kenney

MESSAGE FROM THE **INSPECTOR GENERAL**

Achievements are not made in solitude. The strength of our City stems from our unity, and it is the team of City employees, residents, contractors, and law enforcement partners like the FBI and the U.S. Attorney's Office, that our office relies on to achieve our mission of maintaining an honest City government.


In 2018, with the help of our committed citizens and partners, our results demonstrated the enduring importance of the work that we do. OIG investigations resulted in savings and recovery of more than \$10 million – a figure that is over 6.5 times the office's modest budget. Our efforts produced 10 criminal enforcement actions and 30 instances of employment discipline, demonstrating that misconduct will not be tolerated, no matter the scale. We saved the ever-stressed pension fund almost \$2 million in future liabilities through vigorous enforcement of disqualification for convicted lawbreakers. Our Contract Compliance Unit also reviewed more than \$30 million worth of funding as well as facilitated settlement and compliance agreements for City contractors who skirted the rules.

These statistics, however, show only one side of the City's greater progress and devotion to effective government. The majority of City employees are honest and hardworking, and their collective commitment to upright public service is unwavering.

This year, we wanted to hear from our City's residents about what makes an honest and effective government. As we listened to our residents, we also wanted them to know that our mission is their mission – a government that serves everyone and places the needs of our community ahead of all other priorities.

We are proud of all that the City accomplished in 2018, but the work is never done. We will maintain a steadfast commitment to operating effective and efficient government. Together, we will continue to advocate for honesty and integrity.

Sincerely,



Inspector General Amy L. Kurland



POWER IN NUMBERS

2018 Case Results

- 18 Terminations
- 12 Suspensions / Demotions
- 4 Recoveries
- 7 Restitution Orders
- 4 Fines / Forfeitures
- 10 Criminal Enforcement Actions
- 2 Policy Recommendations
- 30 Background Investigations
- 3 Compliance Agreements
- 2 Pension Disqualifications

OVER
\$10M
Total Savings and Recovery

FINANCIAL SAVINGS

Suspension	\$24,958.33
Demotion/Salary Reduction (2-yr projection)	\$1,954.00
Termination (2-yr projection)	\$1,610,046.00
DROP Savings	\$24,658.79
PELP ¹	\$166,000.00
Pension Savings ²	\$1,918,334.62
Total Savings	\$3,745,951.74

¹ OIG investigations often uncover significant inefficiencies that, if left unchecked, would cause economic loss. In such cases OIG recommendations result in additional financial savings.

² Pension savings represents disqualification due to criminal conviction or withdraw of contributions due to pending arrest or indictment.

FINANCIAL RECOVERY

Recovery	\$258,634.79
Restitution	\$3,528,100.57
Fines / Forfeiture	\$2,560,679.84
Total Recovery	\$6,347,415.20
Total Savings & Recovery	\$10,093,366.94

CONTRACT REVIEW

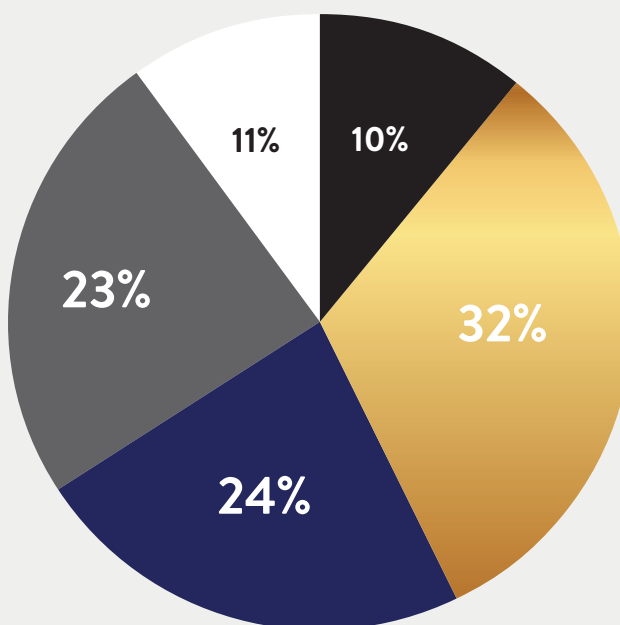
Approximate Amount of
Contracts Reviewed in 2018\$31,833,356.00

Cases Opened by Department

Board of Pensions.....	1	Office of Fleet Management	3
Board of Revision of Taxes	2	Office of Human Resources.....	1
Commerce	13	Office of Innovation and Technology	5
Department of Behavioral Health	4	Office of Property Assessment	7
Department of Human Services	14	Office of the Chief Administrative Officer	1
Department of Licenses & Inspections.....	19	Other	36
Department of Public Health.....	9	Parks and Recreation.....	18
Department of Public Property	6	Police Department.....	4
Department of Records	3	Prisons System	9
Department of Revenue	11	Procurement Department	1
Fire Department.....	4	Redevelopment Authority.....	1
Free Library of Philadelphia	6	Streets Department.....	18
Law Department.....	1	Water Department.....	18
Managing Director's Office	2		

Source of OIG Complaints

- ☐ OIG Integrity Officer
- ☒ City Employee/Contractor
- ☐ Resident/Business Owner
- ☐ Anonymous
- ☐ Other



OUR GOVERNMENT, OUR PEOPLE



**“ I FEEL THAT IF YOU
SEE SOMETHING,
YOU SHOULD SAY
SOMETHING. DON’T
JUST BE A BYSTANDER.”**

**– NAOMI
OAK LANE**

First and foremost, City government should have an uncompromised commitment to the people – those who live in Philadelphia, work in Philadelphia and love Philadelphia. At the OIG, our success is built upon the people who have the courage to stand up, raise concerns and participate in the investigative process, whether City employees, members of the public or other agency partners.

Most OIG cases start with a complaint submitted by a member of the public, an employee or a City official. Cases are assigned to investigators, and when violations are uncovered, the OIG releases Reports of Investigation, recommending corrective and disciplinary action. And when systemic problems are identified, the OIG issues Policy Recommendation Reports to suggest changes to procedures that improve government efficiency and safeguard taxpayer dollars. We also work closely with law enforcement agencies when criminal violations are suspected.

THE COURAGE TO REPORT – PROTECTING OUR WHISTLEBLOWERS

Because our work depends on those who are brave enough to come forward, the OIG takes every precaution to protect whistleblowers at all costs. As outlined in Mayor Kenney’s Executive Order 9-17, the City has zero tolerance for retaliation against those who have filed or participated in complaints about City government. Employees and contractors are also prohibited from obstructing the complaint and investigative processes.

In 2018, the OIG conducted 6 investigations that included a whistleblower-protection component. In one significant matter, an employee raised concerns about his department’s contract spending. Working with the department’s leadership, the OIG investigation resulted in a structural reorganization and a new reporting policy that was more consistent with the City’s commitment to protect whistleblowers.

The investigation also resulted in a close examination of a City contract that was ultimately reduced by more than \$50,000 – saving important taxpayer dollars.



Anyone can submit an anonymous tip:
Through the OIG's website, www.phila.gov/ig,
by phone at **215-686-1770**, or by mail to
601 Walnut Street, Suite 300 East,
Philadelphia, PA, 19106.

City employees are becoming increasingly invested in their government and more comfortable speaking up. But, we still have work to do. Everyone has a right to bring issues forward, and we must make every effort to encourage and support this right through staunch protections for whistleblowers.

BACKGROUND CHECKS

Since Mayor Kenney's inauguration three years ago, his Administration has collectively vowed to create and nurture a culture of transparency, ethics and integrity in government. The Administration routinely enlists the

OIG's assistance to staff our government with individuals who exemplify the ideal we want to achieve. In 2018, the OIG conducted 30 background investigations on individuals under consideration for senior-level positions, board appointments or security access to City or School District facilities. These investigations continue to help the Kenney Administration make well-informed decisions about who will be representing the City at its highest levels.

OUR HONEST PEOPLE

By far, the majority of City employees are honest, forthright and committed to their jobs. But these honest individuals are rarely recognized. The OIG ensures that City employees do not abuse their positions of trust, but we also work tirelessly to recognize and protect those City employees who have served faithfully and with integrity.

Since the beginning of his administration and with the cooperation of both the CIO and Board of Ethics, Mayor Kenney has personally recognized **19** different City employees who refused gifts, tips or other prohibited compensation while performing official duties. These people represent the true values of honest government service, and their accomplishments deserve specific recognition.



COMMITMENT TO PROFESSIONAL EXCELLENCE

Our staff understands that the importance of the OIG's mission demands high-quality work and a team of skilled and experienced professionals. OIG employees are encouraged to attend specialized trainings, certification courses, and other outside professional development resources. Almost all of the OIG's investigators are certified by the national Association of Inspectors General (AIG), four are Certified Fraud Examiners, two are attorneys and we also have one Certified Public Accountant. OIG staff regularly participate in continuing education programs through the AIG, the Association of Certified Fraud Examiners (ACFE), the Center for the Advancement of Public Integrity (CAPI), the Philadelphia Bar Association, the Society of Corporate Compliance and Ethics (SCCE) and other professional development organizations.

COLLABORATION YIELDS RESULTS

As the OIG expands its reach, the office continues to forge strong partnerships with oversight and law enforcement agencies at all levels of government. A founding member of the Philadelphia anti-corruption task force, the OIG works closely with the Philadelphia Police Department, the Philadelphia District Attorney's Office, the Federal Bureau of Investigation, the United States Attorney's Office and the Pennsylvania Office of the Attorney General on significant criminal fraud and corruption cases. Teamwork is essential to success, and each of these partnerships has yielded important victories in the battle against corruption.



Ralph DiPietro receives 2018 Joan Markman Award

OUR MOST IMPORTANT RESOURCE – INTEGRITY OFFICERS

Integrity Officers serve as the first line of defense against fraud, corruption, abuse, and misconduct. Most City departments have one or more OIG-trained Integrity Officers who work closely with the OIG, notifying the office of any problems and providing invaluable research, support and knowledge on the ground to aid the office in all its cases. All of the Integrity Officers were hand-picked by the Inspector General based on experience and a proven track record of ethical service.

Integrity Officers are sworn-in each year at a ceremony in City Hall. At this event, Inspector General Kurland also announces and presents the annual Joan Markman Award for Integrity to an individual who has made a special effort to work with the OIG or CIO to promote ethical government. The award, previously named the Inspector General Integrity Award, honors the memory of Joan Markman, the City's first Chief Integrity Officer who passed away in 2015.

At the annual ceremony in 2018, Inspector General Kurland announced Ralph DiPietro, Deputy Commissioner of the Department of Licenses & Inspections, as the recipient of the Joan Markman Award for Integrity. Ralph DiPietro started out as a Field Inspector in 1998 and served as the department's Integrity Officer since 2012. A seasoned public servant, Ralph has worked on hundreds of matters with the OIG and Chief Integrity Officer, saving thousands for his City.

OUR DOLLARS



**“ I JUST WANT MY
TAX DOLLARS TO
BE SPENT SMARTLY
AND EFFICIENTLY
ON ESSENTIAL CITY
SERVICES.”**

**– JAMES
NORTH PHILADELPHIA**

City taxpayers deserve the best; every collected dollar should be secured and safeguarded. The costs of fraud, corruption and misconduct are squarely borne by the taxpayers. So, the OIG’s mission includes a mandate to ensure that our taxes are spent in a responsible, efficient and transparent manner. The money that OIG investigations save goes directly back to the City or others who have been victimized. And, that is why the OIG has proven to be one of the most prudent investments in the City – in 2018, we saved more than **6 times** the OIG’s annual budget.

CONTRACT COMPLIANCE

The OIG’s Contract Compliance Unit works to ensure a level playing field for City vendors and protect the integrity of the City’s contracting process – from bid to award to performance. The Unit also enforces the City’s anti-discrimination policies in support of minority-, women-, and disabled-owned business enterprises (M/W/DSBE).

In 2018, the Contract Compliance Unit proved to be one of the most productive components of the OIG’s commitment to protecting tax dollars, reviewing more than \$30 million worth of City funding and recovering hundreds of thousands of dollars for the City.

But financial recovery is only one way in which this unit ensures fairness in the awarding and administration of City contracts. The office works closely with the Law Department to tailor enforcement actions to the facts of each case and to pursue a multifaceted solution – including removal from various certified lists, debarment, suspension and corporate compliance agreements.

In one case, the OIG investigated a pest control contractor, Pest-A-Side, after receiving a complaint that it failed to service several City locations, as required by the terms of the contract. OIG investigators interviewed Pest-A-Side’s workforce and reviewed more than 2,700 pest control service slips that the firm submitted in support of its invoices.

OUR DOLLARS

The OIG analysis showed that the company failed to perform required services for more than half of the contracted locations. Pest-A-Side denied wrongdoing but agreed to release more than \$90,000 worth of invoices. The firm also agreed to a one-year suspension and an enhanced corporate compliance program.

PENSION DISQUALIFICATION PROGRAM

Many City employees earn a well-deserved pension upon retirement. However, those found guilty of crimes committed while working in an official capacity lose their right to such retirement privileges. The OIG has a long-standing collaboration with the Law Department and the Board of Pensions to identify and disqualify City employees convicted of felonies related to their jobs. In 2018, this effort saved millions for the City's pension system, including the disqualification of a former L+I Inspector who was convicted of extortion following a joint OIG-FBI investigation.

SINCE 2008

\$33M

**has been saved by the City Pension
Disqualification Program.**

PAYING FOR PERMITS

After a referral from the Department of Licenses + Inspections, the OIG investigated general contractor Rock Haven Builders and property developer V2, who were actively working at various sites throughout Philadelphia. Jointly with L+I and the Streets Department, the OIG identified 94 different residential projects where the firms failed to obtain appropriate permits. The investigation yielded \$160,000 for unpaid permits and fines.

THE COST OF ADMINISTRATIVE MISCONDUCT

OIG investigations into administrative misconduct most commonly result in employment discipline of some kind, up to and including removal from City employment as a consequence of demonstrated wrongdoing. But, eliminating a bad apple is only part of the OIG's resolution. Often, employment misconduct, like theft-of-time, causes the City a significant loss in unwarranted compensation. In these cases, the OIG vigorously pursues repayment from the dismissed employee, through deductions in terminal leave, pension withdrawals or potential civil claims. In 2018, two employees were disciplined following OIG investigations that substantiated theft of custodial supplies – and, these employees also repaid more than \$1,700 to the City.

RECOVERY FOR OTHER VICTIMS

The OIG's work often brings tax dollars back to the City, but our investigations also can achieve compensation for private individuals or non-profit organizations that may have been financially harmed by fraud, corruption or criminal misconduct.

The OIG continues to support the Commonwealth consumer protection lawsuit against Wanda Rogers, who scammed new homeowners into paying for copies of their deeds. Rogers sent misleading letters to Philadelphia residents, using the official-sounding name "Philadelphia Deeds and Registry Office." These letters, which were



wholly unaffiliated with any government office of the City or the Commonwealth, solicited payment for copies of recently-recorded deeds. In 2018, Rogers was ordered to pay \$4,677 to those who were victimized, in addition to more than \$70,000 in civil fines.

Following a joint OIG-FBI investigation and subsequent trial in the EDPA, a jury found that Renee Tartaglione, the former President of Juniata Community Mental Health Clinic, defrauded and stole funds from the JCMHC non-profit through a variety of schemes, including her inflated lease of JCMHC's building to another Tartaglione-controlled entity. At her criminal sentencing in 2018, she was ordered to repay more than \$2 million in restitution and forfeit an additional \$2 million.

RECONCILIATION TASK FORCE

In 2018, the Inspector General was named to the Mayor's Reconciliation Task Force to oversee the reconciliation of City cash accounts. During reconciliation, accountants check City finance records and compare them to bank statements. To ensure an efficient process, the task force coordinates the work of City agencies and outside consultants. The task force meets bi-weekly to ensure that reconciliations are proceeding on a timely basis, establish and enhance controls, and report out on progress to the public. Of 77 bank accounts, 76 have been fully reconciled. Since identifying a discrepancy in the City's Consolidated Cash account in 2017, the City has reduced it by nearly 98%. Going forward, the task force will ensure the process continues with the urgency and transparency that citizens deserve.

OUR INTERESTS



“OF COURSE, THE CITY GOVERNMENT SHOULD RESPOND TO THE CITY’S NEEDS. IT SEEMS PRETTY SIMPLE TO ME.”

**– BETH
WEST PHILADELPHIA**

City officials and employees serve the public interest, not their own. This principle of service is the foundation for a wide variety of City Charter provisions, Civil Service Regulations, Administrative Board Rules and departmental policies – all of which are aimed at ensuring an upright and honest workforce that serves the City at large. If a violation of these rules has been sustained against a City employee, the OIG issues a Report of Investigation that recommends disciplinary action up to and including termination from employment.



TRASH FOR CASH

In 2018, the OIG continued to work in close collaboration with the Streets Department to address trash collectors who abused their official authority by collecting unauthorized commercial trash, often outside of their assigned sectors and sometimes in exchange for cash. This year, four employees were disciplined after OIG investigations confirmed misconduct of this type, and we continue to work with the department to implement a more proactive solution.

THEFT-OF-TIME & LEAVE ABUSE

The OIG remains committed to holding employees accountable for misrepresenting work hours and/or abusing paid leave regulations. In 2018, five employees received discipline after OIG investigations substantiated that they made active misrepresentations on official timesheets or leave request slips. In one case, an employee was dismissed after the OIG investigation showed that he used his retired supervisor's computer login to alter his time records for more than three years.

SECONDARY EMPLOYMENT

City employees are restricted, via Mayor Kenney's recent Executive Order, from holding second jobs that interfere with official duties. This year, four employees were dismissed after OIG investigations confirmed that they held secondary employment that was in direct conflict with their City positions. One individual submitted false field visit sheets, reporting that he was performing City-related inspections while he was actually teaching a course at a local college.

VEHICLE ABUSE

City vehicles are to be used for official business only, and sometimes employees are tempted to take advantage of this perk for personal benefit. 2018 saw a slight increase in OIG investigations in this area,

resulting in 6 instances of employment discipline related to vehicle misuse. One employee used an official City parking placard while performing a variety of personal errands in and around Philadelphia. The OIG investigation confirmed her misuse of the vehicle and theft-of-time, and she was then terminated from City employment.

DEPENDENT DELINQUENCY

An OIG investigation confirmed that a departmental Human Resources officer added an unauthorized dependent to her health care benefit package during open enrollment. Despite the repeated removal of this dependent and numerous requests for supporting documentation, the Human Resources officer altered her benefits records for several years in a row. After the OIG investigation, the employee was permanently dismissed.

INSPECTION IMPERSONATION

During a court-ordered property inspection, as part of an ongoing civil dispute, a City employee appeared and misrepresented her identity as a Building Inspector. The employee attempted to intervene in the inspection, on behalf of one of the parties, but ultimately had no effect on the outcome of the inspection. The OIG investigation substantiated the employee's misrepresentation and recommended dismissal.



OUR SAFETY



“THE SAFETY OF
CITIZENS SHOULD
ALWAYS BE A NUMBER
ONE PRIORITY FOR
THE GOVERNMENT.”

– NICK
NORTH EAST PHILADELPHIA

Good government makes public safety a top priority.

Philadelphia is a bustling and growing City, and it is our government’s responsibility to ensure that we grow in a safe and secure way. From emergency services, to construction safety enforcement, to sanitation and water – our City government provides some of the most essential and protective services in our day-to-day lives. The OIG’s mission of integrity is, therefore, equally focused on the safety of every Philadelphian.

ROCK HAVEN & V2 PROPERTIES

V2, a Royersford real estate developer, and Rock Haven, a New Jersey general construction firm, worked together on several residential property development projects in Philadelphia. Despite the companies’ extensive construction work in the City, an OIG investigation discovered that the firms failed to obtain required right-of-way street and/or sidewalk closure permits for 94 different projects. Working together with the Streets Department and L+I, the OIG recovered a total of \$160,000 from the two companies for unpaid permit fees and fines. But, more importantly, Rock Haven was subjected to a one-year probationary period and V2 agreed to an enhanced permit-compliance control protocol to make sure that they never again jeopardize pedestrian safety.

Philly developer and contractor charged \$160K for not obtaining permits, using fraudulent ones

by Caitlin McCabe, Updated: December 22, 2018



ABRAHAM GUTMAN / STAFF

A Philadelphia real estate developer and a Jersey Shore-based general contractor have agreed to pay Philadelphia \$160,000 in permit fees and fines after city agencies discovered that the companies had failed to obtain proper permits, or used fraudulently altered ones, for past construction projects.



DRUG & ALCOHOL ABUSE

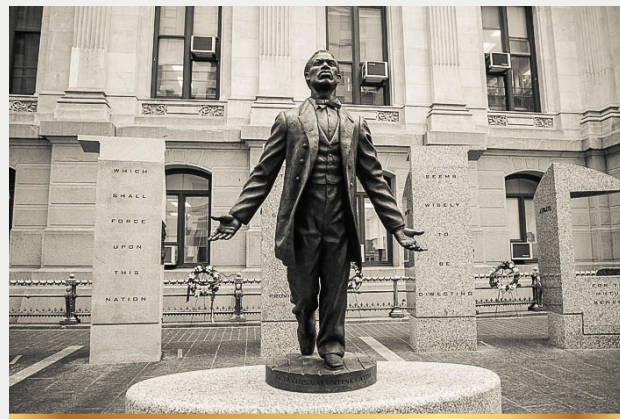
Keeping the City's workforce free from drug and alcohol abuse is a key responsibility if we are to ensure a safe workplace. In 2018, two OIG investigations resulted in employment discipline associated with drug and/or alcohol abuse. One employee appeared intoxicated at work and a coworker, concerned for her safety, drove her home. The intoxicated employee, however, lived outside of Philadelphia and was subsequently dismissed for violating the residency requirement.

FIREARMS IN THE OFFICE

The City should have a zero-tolerance policy for firearms in the workplace, outside of law enforcement and other first responders. In 2018, a City employee, who was licensed and permitted to carry, brought a loaded handgun to work at a City facility and left it unattended in a restroom. Luckily, Philadelphia Police were quick to respond and nobody was harmed, but the OIG recommended immediate dismissal for the negligent employee.

OPIOID CRISIS

Following years of deceptive marketing of prescription opioids that have created an unprecedented public health crisis, in 2018 the City filed a lawsuit against prescription opioid manufacturers. The OIG has supported and continues to support the City's lawsuit, addressing the crisis together with many other departments that serve on the front lines of the battle, including the Police Department, District Attorney's Office, Public Defender's Office, Department of Prisons, Health Department, Department of Behavioral Health and Intellectual disAbility Services, Department of Human Services, and the Office of Homeless Services.



OUR COMMUNITY



“EVERYBODY’S INPUT MATTERS, AND I THINK IT’S IMPORTANT THAT CITY GOVERNMENT IS OUT HERE TO TALK TO REAL PEOPLE TO GET THEIR PERSPECTIVES.”

**– RASHIDAH
POINT BREEZE**

Philadelphia is a selection of many different communities. Each may have its own identity and its own viewpoint, but our City government must be able to serve all of them equally. Government must know and understand these different communities well, and government must serve the unique needs of each. Likewise, every Philadelphia resident, employee and contractor has a role in building an effective, efficient and honest government. The OIG cannot accomplish its mission without active and open participation from our community.

NON-PROFIT ENFORCEMENT

Corruption in the non-profit sector is especially costly to the community. Most often, these organizations exist to protect the underprivileged and the unsupported. So, when theft occurs inside a non-profit organization, the most vulnerable are subjected to even further harm. That is why the OIG continues to work with its law enforcement partners to pursue offenders in and around the non-profit sector. In 2018, the OIG saw three long-term joint investigations come to completion.

Renee Tartaglione, the former President of Juniata Community Mental Health Clinic, was sentenced to 86 months of incarceration and payment of more than \$4 million in combined, restitution, fines and forfeiture.

Last year, she was found to have defrauded the JCMHC non-profit through a variety of schemes. The OIG assisted the FBI with the investigation.



Stephanie Mayweather, the former Executive Director of East Division Crime Services, was ordered to repay the non-profit approximately \$10,000 in restitution. A joint OIG-Attorney General investigation found that Mayweather used the non-profit's funds for personal expenses, such as meals and personal travel, rather than services for victims of violent crime in Philadelphia.

Following a joint IRS-OIG investigation, Musa Turay was sentenced to pay restitution of more than \$83,000, in addition to 120 months of incarceration, for his participation in a scheme to sell the identifying information of Catholic Social Services' foster children in order to claim false dependent and education credits on income tax returns.

RESIDENCY VIOLATIONS

The residency requirement for employees represents one of the most overlooked commitments that we make to our community. City employees should be active members of the communities we serve. Accordingly, the OIG continues to aggressively pursue these allegations. In 2018, five employees were removed from City employment in connection with residency investigations. In the interest of City-wide integrity and morale, these cases continue to send a strong message that all employees, no matter what level of responsibility, must follow the rules.

BAD DEEDS

The OIG closely collaborated with the FBI, the Department of Homeland Security, and the U.S. Secret Service to investigate a series of false and fraudulent deeds for various residential properties in Philadelphia. Following prosecution by the U.S. Attorney's Office, Terrell Hampton was convicted of wire fraud and aggravated identity theft for his scheme to locate houses, prepare and file false deeds, reside in the properties and then eventually sell the properties for a profit. Hampton was sentenced to serve significant prison time and repay over \$170,000 in restitution.



PROFESSIONAL COMMUNITY EVENTS

The OIG is a key organizational member in a number of professional and academic associations that focus on integrity and ethics in government. The Philadelphia OIG is recognized by other organizations as a leading model in government oversight. Inspector General Kurland continues to speak to various local organizations to further the cause of good government; including Temple Law School, University of Pennsylvania's FELS Institute, Columbia University's School of International & Public Affairs, Community College of Philadelphia, the Pennsylvania Bar Institute, the Women's Business Enterprise Council and Philadelphia's International Visitors Leadership Program.

In December 2018, Philadelphia hosted the well-known Council On Governmental Ethics Laws (COGEL) Conference – a top event for learning in the fields of campaign finance, government ethics, elections, lobbying and freedom of information.



Several City officials, including Mayor Kenney and Inspector General Kurland, spoke at the conference, which hosted integrity and compliance professionals from around the world. The Inspector General, led a presentation titled, “You’re Not From Around Here, Are You? Changing a Culture of Non-Compliance.”

INTEGRITY WEEK 2018

In November 2018, the OIG participated in Integrity Week, an ongoing initiative with the Office of the Chief Integrity Officer, designed to build awareness within City government. For five days, City employees attended a series of events focused on ethics, public integrity, fair contracting and other good government issues.

POLICE ATHLETIC LEAGUE DAY

Every year, the OIG also participates in the City-wide Police Athletic League Day, when a representative from the OIG works closely with a local youth who is interested in a career in law or investigations.





Giving Back

Starting in 2012, the OIG began a tradition of community service – after a landmark investigation discovered more than \$100,000 in unused Verizon bonus points that we later used to fund various community revitalization efforts and other projects through the Mayor’s Office of Community Empowerment & Opportunity. In 2018, all OIG staff members worked at the Carousel House in West Philadelphia – where we helped to clean and maintain the sustainable urban garden. The OIG also donated gardening supplies to help with the sustainable farm and picnic tables for the community members to enjoy.

OUR FUTURE

An effective City government should always be looking ahead. Our responsibility is to every Philadelphian, including those future generations who will lead us in years to come. Each year, the OIG undertakes many initiatives that are designed to yield results that have not yet been realized, including preventative measures to stop fraud and corruption before it begins.

CASE MANAGEMENT SYSTEM

One of the most significant projects of 2018 was the OIG's implementation of a brand-new case management database. Every member of the OIG's team was involved in the selection and implementation of the system, and all OIG staff were trained on the database functionality and features. Now, the OIG can keep track of far more case-related data, including investigative activity over longer periods of time, persons, places, departments and documents.

In subsequent years, the new system should have a dramatic impact on our ability to investigate matters quickly and efficiently.

And, the OIG is also in a much better position to track long-term case trends that will help to target enforcement and preventative efforts in the future.

POLICY RECOMMENDATIONS

Prevention of the root causes of fraud has always been central to the OIG's philosophy of oversight. When OIG investigations identify poor internal controls or other system flaws that have allowed fraud or corruption to occur, we do not walk away from the problem. Instead, the OIG releases Policy Recommendation Reports to note systemic issues and offer concrete solutions to prevent wrongdoing in the future. Investigators work closely with other City agencies to implement these changes and enact stronger internal controls.

In 2018, OIG investigators discovered that a contractor inadvertently accessed confidential information via a City computer database. There was no evidence that the contractor further disclosed anything or otherwise altered



the database, but the OIG worked with the department to implement better system controls to prevent similar incidents in the future.

CITY-WIDE TRAINING

Prevention begins with education, and in 2018 the OIG continued to its City-wide educational programming. Every new City employee participates in OIG training as part of the QuickStart Philly onboarding process. Inspector General Kurland and her team teach new employees about the importance of reporting wrongdoing in the interest of upright public service. OIG staff also make regular presentations for Human Resources Managers and executive-level City officials. Within specific departments, OIG staff regularly present anti-corruption lectures to City employees as part of a proactive effort to encourage people to report corruption and to serve as a deterrent. And, in 2018, we spoke with hundreds of City employees who have regular contact with the public.

OIG AT THE SCHOOL DISTRICT

In 2015, the OIG entered into a Memorandum of Understanding with the School District to support and staff a new Office of Inspector General for the District and its students. Since that time, with our assistance, the District's OIG has issued more than 20 Reports of Investigation and completed 3 criminal investigations together with law enforcement partners.

2018 was the final year of the MOU, and the School District has recently hired a new Inspector General to lead the way in 2019. The City's OIG will remain committed to the work of the School District, and we will continue to support the School District in every way possible. Every schoolchild in Philadelphia deserves an opportunity for an educational experience that is honest and transparent, and we are very proud to have been a part of that mission for the last three years.





PHILADELPHIA OFFICE OF THE
INSPECTOR GENERAL

JAMES F. KENNEY, MAYOR | AMY L. KURLAND, INSPECTOR GENERAL